

Proceeding: In the Matter of Biennial Regulatory Review -- Reform of the International Settlements Record 1 of 1

Applicant Name: AMERICATEL CORPORATION

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Author Name: AMERICATEL CORPORATION

15300817

Lawfirm Name:

Contact Name:

Contact Email: gkarish@americatel.net

Address Line 1: 4045 NW 97th Avenue

Address Line 2:

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Postal Code:

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Americatel Corporation hereby submits its comments in the above-captioned proceedings. For the reasons discussed more fully below, *Americatel believes that the Commission's International Settlements Policy (ISP)* should be relaxed to reflect improvements in the competitive situation in the international telecommunications marketplace and in particular to recognize that monopoly telecommunications carriers no longer exist in many countries.

A. Application of the ISP and Related Filing Requirements to Arrangements With Foreign Carriers that Lack Market Power

Americatel agrees with the proposal to cease to apply the ISP and related filing requirements to US carrier arrangements with foreign carriers from WTO member countries that lack market power. We also agree that the obligations to file contracts under 43.51 and to file changes in accounting rate arrangements under 64.1001 should not apply in respect of commercial arrangements with foreign carriers in WTO countries that lack market power.

Americatel agrees with the proposal to maintain the 50 percent market share presumption for the purposes of determining whether a carrier lacks sufficient market power to affect competition adversely in the United States.

Americatel submits that the best rule to adopt regarding filings is the first option proposed, namely that arrangements with foreign carriers with less than 50 percent market share do not have to be filed, and that no filing be required to substantiate the claim that the foreign carrier lacks market power.

B. Application of the ISP and Related Filing Requirements to Arrangements With Foreign Carriers in Liberalized Markets

Americatel agrees with the view that there is no need for the continued application of the ISP on liberalized routes because it impedes the development of real competition among US carriers, however we propose a different way of determining whether a foreign market is liberalized. We propose that the ISP should not apply to WTO member countries where there is no single carrier that has market power. In other words, the ISP should not apply to WTO countries in which all carriers have less than a 50 percent market share.

Americatel also agrees with the proposal that the obligations to file contracts under 43.51 and to file changes in accounting rate arrangements under 64.1001 should not apply on routes where the ISP does not apply.

C. Revisions to the Flexibility Policy

Americatel submits that the current filing requirements do inhibit carriers from negotiating alternative settlement arrangements. In particular we believe that alternative settlement arrangements with foreign affiliates or with joint venture partners that lack market power in the foreign market should not have to be publicly filed. If an affiliate lacks market power, we agree that there is little danger that a flexible arrangement would have anticompetitive effects.

D. Revisions to ISR Rules

Americatel agrees with the view that ISR rules can put greater pressure on settlements rates and therefore, we believe that, at a

minimum, ISR should be permitted on all liberalized routes. We propose that ISR should be permitted to WTO member countries where there is no single carrier that has market power. In other words, ISR should be permitted to WTO countries in which all carriers have less than a 50 percent market share.

E. Application of the No Special Concessions Rule and Other Safeguards

Americatel submits that the No Special Concessions Rule should continue to apply to foreign carriers that have market power, even where ISR is permitted.

F. Accounting Rate Filing Changes

Americatel agrees that the two standards and procedures for accounting rate filings can cause some confusion. We suggest that there be one single procedure for both types of filings but that the 21 day public notice period be reduced to 72 hours. In addition, Americatel submits that all of the service requirements for accounting rates filings should be removed and be replaced with a public notice approach like that adopted for petitions seeking approval of flexible settlement arrangements.

G. Issues Raised in Petitions for Reconsideration of the Flexibility Order

Americatel has no comments on these specific issues.

Respectfully submitted,  
AMERICATEL CORPORATION

By: Alejandro Vargas  
Vice President  
Corporate & Legal Affairs  
Americatel

Corporation